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## Submission to the Barker Review

by

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1. The problem facing land use policy in Britain today has its roots in the Town and Country Planning Act of 1947, which in nationalising the development rights in land also politicised them. People soon became aware that a pressure group - local or national - could, by lobbying, influence planning decisions and thus exercise control over the use of land worth many millions of pounds even though they had no ownership rights over it. This awareness, together with the stresses of town-cramming arising from a chronic shortage of development land, has led many activists to believe that they have a natural right to interfere with what other people wish to do on their own land. This is now a deeply ingrained belief and will have to be taken into account in any attempt to give the price mechanism a greater role in the allocation of land. (I have the feeling that before the 1947 Act, under a largely market system in land, people did not expect to be able interfere with other peoples' use of their own land; the only general exception I can call to mind is the common law right to light - "Ancient Lights".)

2. The fundamental pressure behind this lobbying is the dog-in-the-manger desire for *no change* - no new houses for other families, no new roads for other motorists, no new factories to provide jobs for other people (but, of course, the rising standard of living expected by the objectors). Further, vigorous lobbying is all the more likely to succeed because of the narrow vision and vote-consciousness of politicians and the restrictive-mindedness of planners (whose careers depend upon saying 'no' - which proves they are needed - rather than 'yes' which would make them unnecessary). And we then have a vicious circle: the more lobbying succeeds, the more lobbying there will be, and the more land use will be determined by politics rather than by economics.

3. By market criteria the result has been an extraordinary degree of distortion in land prices and land use. This is exemplified by the price differential between comparable areas of land with and without planning consent; casual enquiry a year or two ago in my

own area of Guildford revealed land with planning permission for housing was valued at a minimum of 300 times more than similar land with no hope of such permission. It is astonishing that in an economy where the price mechanism is fully accepted as the overwhelmingly most important allocator of resources, and monopoly and restrictive practices are castigated and often illegal, that such a cast-iron monopoly is tolerated in a field which is so fundamental to the economy. The fact that it is a public sector monopoly exacerbates the situation, because politicians and planners in most cases have their own immediate priorities and are unaware of, or unconcerned about, the longer term and wider economic consequences of their own actions; this makes them totally insensitive to any of the natural corrective pressures which could be expected to emerge from the extraordinary land price differentials noted above.

4. The greatest supporters of our rigid and economically irrational planning mechanism are those who seem to claim that every beauty spot in Britain would be concreted over if this mechanism were to be relaxed in any way. This belief that rural beauty is in danger is self-serving and romantic. Its proponents typically claim that they are saving our rural heritage for future generations. In fact many of them appear to have a direct and purely selfish interest in stopping development which would lose them the view or other local land amenities which they currently enjoy but have not bought and do not own. Their concern is not for future generations but for themselves and now. Others seem to feel that once green fields are defiled by buildings they are gone for ever. But while land can be used, it cannot be used-**up**. Indeed on a long perspective every use of land should be regarded as temporary. Future generations must deal with their own needs at their own time; if they wish, they can (as this generation has done) blow up unwanted blocks of flats, totally remove massive steel works or smash up enormous wartime concrete runways as they did in East Anglia after the war; and if they wish they can restore all these to green fields. But this is for each generation to decide upon at its own time and in the light of its own needs. It is for our present generation to decide on the use of land to meet our own needs now because everything we do to land can be reversed by a future generation if it so wishes. The romantic claims of saving our rural heritage for future generations have been elevated into a spurious ideology, often masking the dog-in-the-manger demands of those who want *no change* now for their own benefit, whatever the cost to others.

5. The only way out of this disastrous situation is to greatly enlarge the area in which the price mechanism operates in the market for land and remove the politics; this would make possible a substantially rational policy for land use, increasing the supply of development land, reducing its price and the price of housing. The real problem is how to achieve this transition in a

way which will be acceptable to public opinion. This will require analysis of the institutions and functions which will be needed to supplement a largely price mechanism system, and it will require a sustained effort at educating public opinion. It will need to be emphasised that the aim is to make available to a free market in development land a relatively modest percentage of the whole land area even in the south-east, of which only a very small part is likely actually to be developed in the next decade and more. Here I will briefly suggest some features which I believe would help the transition to a market mechanism for land. All my comments are coloured by the fact that I live in the south-east and this is the area most under development pressure and most in need of such reform.

6. The term "Green Belt" should be banned from all future discussion of policy on land use; it is misleading and tendentious, and indeed it is these very characteristics which make the term so favoured by the interest groups lobbying for *no change*. Instead, all discussion should be in terms of the functional role of land, broadly: *Beauty, Amenity, Scientific Importance* (the home of the only three-legged spider in Britain), *Anti-Sprawl*, and *Other*. Most of our land is already classified (however imperfectly) in this way, which comes down basically to *Protected* land (the first four classes) and *Other*. We have to start from this present pattern, and reform should concentrate initially on easing the use of land in the *Other* category. This is likely to meet the fewest specific objections and to be the quickest and most effective way of freeing the use of significant amounts of land; but to buy-off more general opposition it would have to be accompanied by assurances to the public that all the currently protected land for which there is an indisputable case would continue to be protected. Even if "indisputable" is generously interpreted, this would be a small price to pay in order to achieve further progress.

7. This would leave a large amount of land which is currently protected through local authority designation in the past but for which no clear functional case for particular protection has ever been made. It is these areas which will require more detailed analysis of their function, to see if they should be classified into one of the *Protected* categories or into *Other*. This re-classification is almost certain to be controversial, and the whole of this process must be as objective and open as possible. It will require an explicit cost/benefit approach including surveys to establish the level of leisure use of land which is alleged to be of vital amenity value, so that the cost per visit can be estimated together with the number of visitors who would be willing to pay that cost. But all of this is a trivial expense when set against the potential gains from more rational use of Britain's enormous land assets.

8. During this assessment process it should always be asked why those pressing the case for a certain area to remain protected do not raise the money to buy the land and safeguard it themselves. This latter is the obvious and direct way of protecting land, whether it is done by private groups, local authorities or government. And if it is not possible to raise the money to buy up such an area, then this is an indication that all those concerned do not value it enough to be willing to buy it and protect it. In future such purchase should be the only way in which land can become protected. Designation by any level of government without ownership should be banned.

9. My expectation is that a large part of currently *Protected* land will be found to have no functional justification for this status. But one category - *Anti-Sprawl* - will require particular analysis and re-assessment; currently urban sprawl is usually objected to on aesthetic and emotional grounds, but earlier urban sprawl has created our major cities which often seem to be areas of high productivity. We need to be absolutely clear about the function, value and cost of protecting land for *Anti-Sprawl* purposes.

10. Planning decisions can protect some property owners and penalise others. Sometimes these outcomes can be seen as fair and reasonable, at others the very opposite. But if we are to reduce the politicised role of the planning system we need institutions to emulate the desirable effects of planning while avoiding the undesirable effects. Planning currently affects development at every level, but it is at householder level that any reforms will be most acutely felt and objections to them most loudly voiced. My neighbour's development can affect me adversely, but restrictive planning often prevents this and the groups lobbying for *no change* expect it to do so. If we are to have less of such planning and more of the price mechanism, the public will expect to have some mechanism for dealing fairly with these inevitable conflicts of interest over development

11. There are two strands to a possible solution to these conflicts. The first strand is to convert planning at the domestic level into a much more permissive system; this would set advisory standards of best practice (or perhaps, but only in limited and extreme cases, retains compulsory standards) for further development in already developed areas and would attempt to mediate between conflicting interests. If substantially more land can be released for development, the pressures and conflicts arising from town-cramming in such areas should be reduced, making mediation easier. But in many cases more effective powers of resolution are likely to be needed.

12. The second strand would be a binding arbitration/compensation service to supplement this reduced and generally more permissive operation of planning. Such an arbitration service would value the

unreasonable loss to me (overlooking, loss of light, noise) of development by my neighbour and would require him to compensate me by this amount if he does such a development. (It would be interesting to know how this kind of conflict, if it arises, is handled in other countries; indeed I like to think that somewhere in government there is a detailed recent study of all aspects of planning procedures and conflict resolution in a range of other countries which would be helpful to this Review).

13. This proposed system of standards of best practice combined with arbitrated and binding compensation - involving valuation which would bring in significant elements of a price mechanism - could work at all levels, from an extension that overlooks a neighbour to a proposed large housing development covering many acres of land which is held up by adjacent house-owners lobbying against it because they want *no change*. Given the current value of such development land in the south-east, a binding arbitration award of, for example, a small percentage of this land value, could appease affected objectors (often a relatively small number closely around the periphery of the land in question) and would allow profitable development to go forward to the general benefit. Money - a price mechanism - can reconcile conflicting interests, and we should aim to have established and trusted channels to encourage this.

14. I would expect reform of the planning system to release a substantial amount of *Other* land for development - much of it without any significant number of objectors. I accept that there are aesthetic reasons for preventing development in the form of single properties spotted all over such released areas; instead this land should be made available in blocks to developers for the creation of new hamlets or villages away from existing towns (which would welcome this as helping to save them from town-cramming). But these would require improved road communications and would require government to overcome its past unwillingness to invest in this necessary public infrastructure.

15. The cost to Britain of the current gross misallocation of our land resources is enormous. Greater freedom in the use of land and a much greater role for the price mechanism is long overdue and could reap large benefits; but the new regime must have the trust of the public in its allocation of land between *Protected* and *Other* categories, and in its fairness in dealing with conflicting interests in the development of land. Effective education of the public and politicians is essential if the case for reform is to succeed.

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